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WHEN SHOULD YOU SELL YOUR CATTLE?

Prices of cattle, like those of hogs and sheep, bear a connection to the seasons. Year in and year out, prices of the classes of cattle sold off grass are at their lowest in the fall when the grazing season ends, and highest in the spring. Prices of fed cattle take a different course. For the top grades, fall is usually the high price season, spring the low.

Seasonal price swings arise chiefly because production or marketing is tied in some way to the calendar—to equinoxes and solstices, to summer heat and winter snow. In beef cattle, we find births to be highly seasonal. Throughout most of the United States beef calf births are concentrated in late winter and spring. In a few of the warmer areas, such as California and the Southwest, fall and early winter births are common.

Until recent years, more dairy calves also were born in late winter and spring than at any other time of year. Producers now schedule many dairy cows for fall freshening. In Minnesota, according to a 1954 report, peak months are October and November, each of which accounts for 15 percent of the year's total freshenings.

Grazing of cattle is of course highly seasonal. In most regions it begins in the early spring and ends in the fall.

Marketings of cattle off grass accordingly are largest in the fall. Central market receipts of cattle in October are usually about 45 percent above the year's monthly average, and calf receipts are 58 percent larger.

Feeder Rush Season

Feeder cattle move to feeding areas in greatest number in October, with September and November next in rank. The 3 months from September to November account for slightly more than half of each year's total shipments of feeder cattle and calves to the Corn Belt.

It is not surprising that prices of grass cattle are usually lowest during the fall marketing period. For many years prices of Choice feeder steers at Kansas City have fallen about 3 percent below the year's average in the last 3 months of the year, increasing to around 4 percent above average in May. Prices of lower grades move over a somewhat wider range. But prices of Good and Choice feeder steer calves change less; their variation during a year is rather small.

Prices of slaughter cows also advance from a fall low to a spring high. Their normal range is from 7 to 9 percent below average to the same percentage above. Prices of the lower grades of cows reach their fall low earlier, and recover sooner, than do the upper grades.

Seasonal fluctuations in prices of most kinds of cattle are not extremely large. They are much more moderate than those in hog prices.

Reason for more price stability lies in the influence of cattle feeding in smoothing the supply of cattle for slaughter. Feeding serves an important function in adding weight and finish to cattle, but it is equally valu-

able in distributing the fall supply of cattle off grass into a slaughter supply for all months of the year.

The effect of feeding in redistributing supplies is so marked that fewer steers are slaughtered (under Federal inspection) in the fall than in the spring. Total cattle slaughter is usually highest in the fall, but the reason lies mainly in the larger slaughter of cows then.

The longer steers and heifers are fed, the higher is their grade, as a rule. Since the bulk of feeders go on feed in the fall, peak supplies of the successive grades for slaughter appear step-by-step during the year. Marketings of Utility steers, fed little if at all, are largest in December-March; of Commercial and Good, in January-April; of Choice, in March-June; and of Prime, fed the longest, in June-October.

Price lows commonly appear in the same order. Utility grade steer prices are usually at their lowest in the fall. The Commercial grade also tends to be at a price minimum then, while the low point for Good comes a bit later. However, seasonal price changes for Commercial and Good are small. Prices for Choice steers usually hold up well during the fall, then decline during the winter to a spring low. Prices of the Prime grade, the peak supply of which is last to appear, are lowest in May, in an average year, and their recovery is slow until July-August.

Prices of veal calves have a seasonal trend all their own. They ordinarily increase sharply in early winter. January and February are the high price months. By July, prices are usually down considerably. A secondary peak often occurs in September-October, followed by a small decline before the winter rise begins.

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Prices of heavier "beef" slaughter calves resemble all grass cattle prices in that they dip to a fall low. They usually rebound in early winter and are fairly steady through all the winter and spring.

Watch Developments

All the seasonal patterns described are those of a "normal" year. It is helpful to know these normal seasonal trends, as a starting point for anticipating future prices. But in any one year, special circumstances may cause prices to deviate from their normal course. An alert producer will watch the developments of each year. In 1955, for example, all seasonal changes in prices of fed steers were delayed. It will be interesting to find out if they get back on schedule next year. Until we know more about any special conditions, the normal seasonal trend is more likely than any other.

Harold Breimyer
Agricultural Economics Division, AMS

Make It EVERY Day

You've heard a lot about S-D Day—that's Safe Driving Day. Although you may read this after December 1, it's still good to make Every Day a Safe Driving Day.

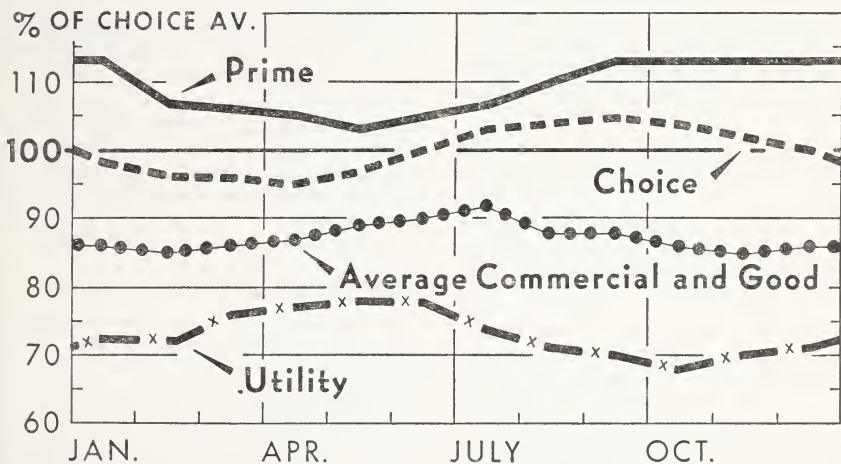
S-D Day is not restricted to cities or large population areas. Fact is, motor vehicle accidents account for more than 40 percent of all accidental deaths of farm people. The motor vehicle accident is the principal cause of accidental deaths among farmers and rural citizens.

This gigantic national effort is aimed expressly at reducing traffic and motor vehicle accidents throughout the country.

If everybody is more careful and more considerate, then we can save thousands of lives that otherwise would be lost on our roads and highways.

SEASONALITY IN STEER PRICES

Corn Belt Slaughter Steers at Chicago



NORMAL SEASONAL VARIATION FOR POSTWAR YEARS (1947-53).
RATIO BETWEEN GRADES IS 1947-53 AVERAGE.

U S DEPARTMENT OF AGRICULTURE

NEG 17-53(11) AGRICULTURAL MARKETING SERVICE

Slaughter steers of middle grades usually show only small price changes each year. Lower and higher grades

change more. High point for Utility prices is the spring, for Choice and Prime late summer or fall.

HOW MANY COTTON BOLLS TO A BALE?

How many bolls of cotton does it take to make a bale? Although that may be the \$64,000 question, the answer probably can't be found in any encyclopedia. The steps involved in getting the answer may be the key to improvement in cotton production estimates, especially early season forecasts.

Obviously, the problem has to be attacked by sampling procedures. That doesn't complicate the picture as far as the farmer is concerned. He buys, sells, and makes daily decisions on the basis of samples—grade and staple of cotton, weevil infestation, soil tests, etc. Sampling is nothing new to the farmer. In fact, he can even squeeze one handful of soil from a 100-acre field and tell whether it is dry enough to plow.

Sampling by Experience

The farmer making the soil test drew on valuable previous experience and knowledge. He took his sample from the wettest spot in the field. If that area could be plowed, so could the entire field.

What does that have to do with the question, "How many bolls does it take to make a bale?" Let's go back to the farmer taking a sample of that wet spot in the field. He was taking advantage of reliable information gained from previous experience.

This same background of experience is drawn upon when the farmer reports cotton production prospects. He knows the productivity of the field, how the soil was prepared, when the cotton was planted, the amount of fertilizer applied, the quantity and distribution of rainfall to date, the rate of growth, and the general insect infestation and fruiting pattern as the season progresses. Each of these factors has a bearing on prospective yield per acre. However, farmers and cotton statisti-



cians probably know less about fruiting (the number of squares, small bolls, and large bolls at a given time) in relation to production than any other phase of the estimating problem.

Some farmers have experimented with boll counts in estimating yield per acre on their own farms. In fact, many cotton reporters will recall making counts regularly for a number of years during the fruiting season at the request of the Crop Reporting Service. Those counts were helpful in estimating the crop, but were discontinued during the pressures of World War II. Counts were also made by State and Washington statisticians along designated highways. Those counts were also a casualty of the war. Our statisticians have continued to make some counts since that time, but the expanded work program has permitted only limited coverage of the Belt.

Help Other Countries

Considerable work has been done in this country in making cotton, corn, and wheat estimates based on counts, measurements, and weights for small sample areas of fields. In fact, this procedure, with some further refinement, was initiated and supervised in Japan and Germany by our statisticians working in those countries.

Noting the advancement of such work abroad and knowing from previous experience that boll counts were helpful in estimating the crop, funds

were obtained for carrying out limited research along those lines in this country. The program, which began in 1954, in the 10 major Cotton Belt States, was continued in 1955 with improvements based on the previous year's experience, and early season results have been reviewed.

Test Sampling Methods

It should be emphasized that this is a limited research project. The general objective is to test sampling procedures as well as the usefulness of counts of squares, small and large bolls, and the weights of seed cotton on sample sections of rows in estimating yields per acre. It is definitely not an operating program, replacing the methods now in use. Before such a program is placed in operation, we would certainly have to test the procedures thoroughly and to be confident the additional accuracy would justify the higher cost involved.

Limited results to date are promising and verify findings abroad that production can be estimated by making counts and taking samples from small areas just prior to harvest. These samples are weighed and along with the counts of bolls and infestation provide the basis for an estimate of cotton production for the 10-State area.

The main problem centers around the fact that all cotton is not harvested at the same time over the Belt, and sample weights can't be taken in all areas for the August 1, September 1, and October 1 forecasts. On August 1, the crop is largely made in the southern third of the Belt—consisting of open bolls, large unopen bolls, and some small bolls. For the Central Belt, there are large bolls, small bolls, and some of the crop still to come from squares on plants. In the northern third of the Belt, there are some small bolls, squares already on plants, and squares yet to appear that may make cotton. These proportions change in the respective areas, depending upon whether the crop is early or late.

Analyses of the early season sample fruit counts are also encouraging, es-

pecially for the September 1 forecast. As for the August 1 forecast, the problem is highly complex, as all cotton growers will agree, but some leads are showing up which may prove useful. Our statisticians and statisticians at the North Carolina Statistical Laboratory, consulting with top-notch agronomists and plant physiologists, and our National Panel of Consultants are really getting their teeth into the problem.

You may ask, "Where does the crop reporter fit into this picture?" As I see the situation, the voluntary crop reporter, the backbone of our statistical service, will play an even more vital part in the estimating program. Farmers' detailed knowledge of the crop can't be duplicated by any electronic computing machine. We will always need reports from a large number of farmers to give us the details we must have for a good cotton estimating program. Some changes might be made in the questions used during the main fruiting period. The teamwork between the statistician and farmers will continue.

In the meantime, you may see one of our men counting bolls in your field. If you ask him for his estimate of yield for the field, chances are he'll say, "What is your estimate?" He may add, "On this 10 feet of row I counted 122 large bolls including opened and picked bolls. I would have to make several counts to get a fair average for this field."

How's Your Judgment?

Checking the development of the crop in terms of actual counts of fruit and infestation fits in with up-to-date farming practices. After all, the farmers' judgment, or that of the Crop Reporting Board, is no better than the basic information used.

Incidentally, based on the September 1 average boll weight for 1954, it took 131,665 bolls to make a bale of cotton. However, this year fewer bolls may be required as the bolls are heavier. So, it looks as if the answer will vary from year to year.

J. J. Morgan
Crop Reporting Board, AMS

Economic activity is continuing to expand in the final months of 1955. Preliminary estimates for the third quarter indicate the gross national product is about 9 percent above a year earlier. In recent months, prices of industrial products and nonagricultural raw materials have gradually increased with the expansion in business activity.

Farm Income

Farmers' cash receipts from marketings in the first 3 quarters of 1955 are estimated at 19.7 billion dollars, 4 percent less than in the corresponding period last year. Prices received by farmers for the first 9 months averaged 4 percent below last year. The total volume of marketings was about the same as a year ago. Receipts from livestock and products were 5 percent lower than in 1954, and crop receipts were down 3 percent from a year ago.

Livestock and Meat

Cattle slaughter will likely recede from its seasonal mid-fall high, but hog slaughter will continue seasonally upward to a top in November or December. Total output of meat will remain at record or near-record volume.

Prices of slaughter steers and hogs have been limited by the very large marketings and will continue below a year ago for the next few months.

Dairy

With abundant supplies of both roughages and concentrates and prices of milk improved relative to prices for feed and some other livestock products, output of milk this fall and winter probably will continue above a year earlier. For 1955 as a whole, output probably will exceed 124 billion pounds.

Feed

Prices of each of the 4 feed grains continue lower than a year earlier and

are expected to continue so this fall and winter, but they may not drop much from the September level.

The total supply of feed grains and other concentrates for 1955-56 is estimated as of October 1 at 195 million tons, about 9 percent more than last year and 13 percent above the 1949-53 average. This tonnage would be larger than in any previous year, both in total and per animal unit. It is enough to take care of all 1955-56 requirements and still leave a carryover into 1956-57 a little above the record carryover this year.

Cotton

The U. S. supply of cotton is estimated at a record of about 25 million bales, a little above the previous high of 24.6 million bales in the 1939-40 season. Consumption of cotton by domestic mills was larger than last year during the first two months of the 1955-56 season, but exports of cotton during August were well below a year earlier.

Tobacco

Cigarette output in calendar 1955 may total 415 billion—3 percent above the 1954 level. Output of smoking tobacco will be up a little; cigar consumption is expected to be nearly 2 percent above 1954.

The 1955 exports of unmanufactured tobacco are expected to total about 12 percent more than in 1954.

Citrus

Stocks of frozen orange juice, mostly concentrate, on October 1 were about 8 percent smaller than a year earlier, and stocks of canned citrus juices held by Florida packers were about 60 percent smaller. With carryover stocks of these juices lighter than a year ago, demand for oranges and grapefruit for processing should be stronger this fall and winter than a year earlier.

"Bert" Newell's

Letter

To Crop and Livestock Reporters

The other day I had a very interesting and challenging letter from one of our reporters in Illinois. Now this man is not a farmer. He's a businessman who deals with farmers all the time. There are thousands of such men all over the country who provide valuable information on many things that help us to do a better job and provide everybody with much more complete information than would be possible otherwise. He said some nice things about this publication, "The Agricultural Situation," and about my letter.

Naturally, that made me feel good, but his comments about his participation as a voluntary reporter were most interesting. He said, "Of course I only report on livestock prices but you make me more alert to my responsibilities and I am more than glad to contribute my bit . . . Your bulletin gives me a broader view of conditions. Just wish there was more that I could do to further your work."

That sort of comment gives us all a big lift and I sure appreciate a busy man taking time out to write me a note like that.

Now our friend in Illinois said he just reported on prices. I would like to visit for a few minutes with you about this Price Report. Have you ever stopped to think about how important it is to have reliable reports on farm prices? I am talking about the monthly farm price reports.

The information provided in these monthly reports of average prices received by farmers for the commodities they sell, and the average prices the farmers have to pay for things that they buy is one of the most important services that we provide.

These monthly prices are put out by the Crop Reporting Board and the information is provided by some 75,000 to 80,000 reporters, mostly businessmen

and others who deal with the farmers in many different ways. These are basic prices on which a great deal depends.

First of all, and perhaps the thing that is most familiar to everybody, these prices are used in computing the index numbers of prices received and prices paid by farmers that are, under the law, the basis for the parity price computations. These price series are the basis for many important decisions with respect to agricultural policy.

When someone comes around and starts talking about the prices of crops and livestock as compared with the good old days, the first thing that you should call to his attention is the price the farmer has to pay for the things he buys to produce those crops.

But let's take a look at some of the other uses that these farm prices serve. The Outlook work, for example, and all the Situation reports provide the analysis that is so necessary for any farmer who is trying to plan production and do a better job in marketing. Of course, all of the figures on production, stocks, and so on, get into the picture in these reports, but you have to have the prices to make the analysis really meaningful. In short, any time a man tries to decide how much of what to plant, he wants to know: Will it pay? And without good price statistics you just haven't any basis for good judgment.

The "bit" that my Illinois friend says he is more than glad to contribute is an awfully important "bit". It is combined with some 75,000 to 80,000 other "bits" that other men are contributing to produce this most important price information.



S. R. Newell
Chairman, Crop Reporting Board, AMS

MORE GRASS, PLEASE!

Did you eat your share of grass last year? We mean, of course, in the form of meats, dairy foods, and other animal products. If you should get this question on a quiz show, you might have a hard time finding the answer.

Every now and then someone tries to figure how many people this country could feed by simply having them eat grains and other feedstuffs direct without the benefit of animal processing. The results look impressive, of course, showing how many millions more people could exist without animal foods. However, we are fortunate to live in a country so favored with productive capacity and know-how that we don't have to do without our steaks, chops, and plenty of dairy foods.

More Animal Products

Then, there's another point of view which involves growing more grass—including all legume forage crops—and eating it indirectly in the form of more abundant animal products.

This "grass roots" increase would mean a boost in supplies of beef steaks, roasts, milk, cheese, and other premium animal foods, bringing wider enjoyment of the diet loved by most Americans. Additional feed grains, now in surplus, would be used as required in the process.

The influx of many nationalities into the melting pot which is America brought a wide variety of food tastes with culinary triumphs to satisfy them. There are breads, cakes, pies, and pastries galore, salads and sauces, also dishes once strange, but now common, from Chow Mein to Shish-Kebab.

Our orchards and vegetable fields provide fruits and vegetables of every description, adding variety plus vitamins the year round. But among all this plenty, nothing makes Dad and the kids sniff the wonderful aromas and poke around the kitchen before dinner like that tantalizing smell from the



roast in the oven or those sizzling steaks that Mom is watching.

This leads naturally to the question: How much grass do we eat now in this finished form?

If you are only an average eater, you had chalked up against you in 1954 nearly 90 pounds of beef and veal, and 5 pounds of lamb and mutton.

You also downed about 700 pounds of milk in all forms of dairy products. This included 349 pounds of fluid milk and cream, about 9 pounds of butter, 8 pounds of cheese, 16 pounds of condensed and evaporated milk, and 5 pounds of dry skim milk. You also glorified your desserts and snacks with 14 quarts of ice cream. These are items for which grass carries a major part of the production load.

In addition, you ate 60 pounds of pork, used 11 pounds of lard, ate 29 pounds of poultry and 415 eggs, including processed eggs. For these items, forage contributed at least a notable assist.

As the average person, you also used 3 pounds of wool, much less than a few years ago, but still nearly half a year's clip from an average sheep.

Your Share of Hay

In terms of grass, your annual quota sounds even more formidable. Let's not count the cereal grains or corn—also a grass—but only forage and pasture. First, there was the total hay crop of 105 million tons eaten by the animals. Your share of that would be well over half a ton. Then we must count the crop from the six acres which

is your share of the billion acres total used for pasture and grazing.

This vast pasture area covers over half the land area of the United States. It amounts to nearly double the area of about 530 million acres added through Jefferson's amazing deal which changed our history through the Louisiana Purchase. It ranges in quality from the famous blue grass of Kentucky and the lush irrigated pastures of California's Central Valley to semi-desert and mountain areas notable for scenery, jack rabbits, and cowboy movies.

Considering the importance to the Nation of this grasslands treasure, it is almost startling to note that we have no means at present of estimating pasture production as we do other crops. General statements of condition and opinion must be relied on to evaluate pasture feed supplies and to show needs when drought strikes. This gap in our knowledge doubtless will be filled in coming years as funds and ingenuity are applied to the solution of the complex problem of estimating pasture production.

Soil-Saving Benefits

Volumes of evidence founded on research as well as plain dirt farming attest to the virtues of grass and forage crops for holding and building our soil heritage. These virtues were recognized by the ancients and acclaimed in glowing terms by orators. Senator John J. Ingalls of Kansas a half century ago, possibly thinking of the famous Flint Hills pastures of his own State, called grass "the forgiveness of nature—her constant benediction."

Even more important than such praise, thousands of farmers in recent years have demonstrated the high return and low-cost production possibilities of well managed improved pastures.

The growing appreciation of grass has increased its importance in conserving soil and balancing farm production. Many proposals for curing crop surplus problems end with more grass.

Grasslands were changed to grain fields on a grand scale in times of crisis when food grains were badly needed.

The return to grass on many farms has been slower and harder even though rewarding, requiring basic changes in farm plans. Market expansion for animal products must also keep step with increases in production.

But with a growing population able and willing to pay for premium livestock products the prospect is for a growing demand from more people in supermarkets, dining rooms, and lunch counters, in effect calling for: "More grass, please."

Harold C. Phillips
Agricultural Estimates Division, AMS

INTERESTED IN COTTON OR CORN?

A national marketing quota of 10 million bales (standard bales of 500 pounds gross weight) and a national acreage allotment of 17,391,304 acres for the 1956 crop of upland cotton have been announced by the Department of Agriculture.

The 1956 extra long staple cotton quota and allotment have also been announced—a national marketing quota of 35,300 bales (standard bales of 500 pounds gross weight) and a national acreage allotment of 45,305 acres for the 1956 crop of extra long staple cotton.

Because of the prospective large supplies, the quotas for both upland and extra long staple cotton are the minimums prescribed by law.

A referendum on the cotton marketing quota will be held on December 13, 1955. At least two-thirds of the cotton farmers voting in the referendum must approve marketing quotas if they are to be effective. A referendum on marketing quotas for the 1956 crop of extra long staple cotton will be held on the same date.

Corn

The 1955-crop corn price support will be at a national average of \$1.58 per bushel. This is the same as the minimum support price announced for the 1955 crop on March 24, 1955. Minimum county support rates for 1955-crop corn announced on July 28, 1955, also will be unchanged.

TOBACCO OUTLOOK

Domestic use of the two principal cigarette tobaccos—flue-cured and burley—is expected to be larger in 1955–56 than in 1954–55. Cigarette output in the United States may approach 415 billion this year—about 3 percent more than last year when it was nearly 8 percent below the 1952 peak. Domestic use of other types of tobacco will probably hold about even or increase a little.

Exports of unmanufactured tobacco in 1955–56 will be significantly higher than in 1954–55, mainly due to substantial purchases by foreign countries with their own currencies under programs authorized by Public Law 480. However, supplies of most kinds of tobacco are very large in relation to prospective disappearance.

More Cigarettes

Cigarette consumption is expected to continue to gain gradually during 1956. Scattered unofficial trade reports indicate that the share of the market occupied by filter-tipped cigarettes is still increasing.

Cigar use in the United States and by overseas forces during 1955 probably will be 6.1 billion—about 1½ percent above 1954 and perhaps the largest since 1930. With a continuation of a high consumer income, cigar consumption should continue above the 6-billion level in the year ahead.

The 1955 output of smoking tobacco for pipes and roll-your-own cigarettes is expected to total almost 85 million pounds—about one million above last year when it was the lowest of this century. The 1956 output seems likely to be approximately the same as the estimate for this year.

Output of chewing tobacco in 1955 is estimated at nearly 79½ million pounds—2 million below 1954, and the smallest this century. The gradual decline seems likely to continue. The 1955 output of snuff is expected to be near 39 million pounds—about one-half million above 1954. Comparatively little change is anticipated for the year ahead.

Exports of leaf tobacco in 1955–56 may approximate 590 million pounds—

farm-sales weight—substantially above the 517 million estimated for 1954–55 and the largest since the immediate postwar years.

Legislation in the 1955 session of Congress continued and enlarged authority for foreign currency sales through June 30, 1957. However, the production of tobacco in foreign countries is considerably above a few years ago and will continue to affect United States tobacco in overseas markets.

The 1955–56 total supply of flue-cured is exceedingly large due to a record carryover—7 percent above last year—and a record crop—17 percent above last year. The Department announced a 12-percent cut in 1956 flue-cured acreage allotments on July 1. Following this, growers voted 95½ percent in favor of continuing marketing quotas applicable to the next 3 crops.

The carryover of flue-cured in mid-1956, reflecting the excess of the 1955 crop above the probable 1955–56 disappearance, will rise to a new peak—probably over 10 percent above the mid-1955 carryover.

The 1955–56 total supply of burley is very large—reflecting mainly the substantial buildup in carryover in the last 3 years. This year's acreage is 22½ percent below 1954 as the result of a sharp cut in allotments, and the outturn of burley may be down about one-fifth. But with the large carryover, supplies will be only slightly less than the 1954–55 record level.

Price Supports

Government price supports for the types under marketing quotas are at 90 percent of parity except for fire-cured, which is 75 percent of the burley loan level, and dark air- and sun-cured, which is 66½ percent of the burley loan level.

The minimum levels of price support for the 1955 crops differ from the 1954 supports in every instance by less than three-fourths of a cent per pound and mostly by less than one-half cent. Except for flue-cured and Maryland tobacco, most types of tobacco are marketed largely from November to March.

Arthur Conover
Agricultural Economics Division, AMS

WOOL OUTLOOK

A slightly larger world supply of wool is in prospect for the 1955-56 season. Indications are that present stocks of wool are up slightly from a year ago, and production is expected to be a little larger. Also in prospect is increased capacity for producing manmade fibers that compete with wool.

In the United States, wool production in 1956 is not likely to differ greatly from production this year. Slaughter of sheep and lambs suggests little change in the number of stock sheep in 1956.

In 1956, U. S. mills will probably use about the same quantities of both apparel and carpet wool that they used this year.

In the first 8 months of 1955, mills used a little more apparel wool than they did last year, but from June through August they used a little less. Consumption of carpet wools increased a little more than apparel wools. Imports of wool increased in 1955. Woolen and worsted mills also used more manmade fibers this year.

World consumption of wool during the first half of 1955 is estimated to be slightly higher than a year earlier. Use of manmade fibers also rose, and the increase was larger than for wool.

In addition to the price the grower receives in the open market, he will again be eligible in 1956 for a Government payment to be made after the close of the season. This payment is calculated by multiplying the price he received per pound of shorn wool by the percentage needed to bring the average return of all producers up to the incentive level.

For the 1956 marketing year, the incentive level for shorn wool is 62 cents per pound, grease basis, the same as for the current marketing year. The average return (market price plus payment) per pound to the producer should be about the same as this year—in the neighborhood of 62 cents.

The decline in wool prices in domestic markets reflects the general decline of wool prices in world markets and larger world supplies of both wool and competitive fibers. Some easing of de-

mand for wool, associated in part with an increase in the use of manmade fiber in place of wool, also has been a factor.

Albert M. Hermie
Agricultural Economics Division, AMS

FRUIT CONSUMPTION TRENDS

Since World War II, total consumption of all fresh and processed fruits has not changed very much. However, with the increase in population, consumption of fruit on a per capita basis has declined moderately. Use of citrus fruit declined less than that of non-citrus between 1945 and 1954.

Here are the trends in per capita consumption of fruits during the decade, according to broad utilization groups:

Frozen fruits and juices—up sharply.
Canned fruit—up slightly.
Dried fruit—down slightly.
Canned juices—down moderately.
Fresh fruit—down considerably.

Per capita consumption of frozen fruits and fruit juices has about trebled in the last 10 years, mainly because of sharp increases in strawberries and citrus juices. Some of the increase in frozen citrus juices represented a shift from fresh citrus and canned citrus juices. Meanwhile, consumption of frozen apples, apricots, grapes, and peaches declined. Consumption of cherries tended to hold steady.

For most canned fruits (excluding juices), per capita consumption has not changed greatly, but that of canned apples and applesauce has doubled.

Use of canned fruit juices has decreased moderately because of substantial declines in orange and grapefruit juice and blends of these two juices.

Among fresh fruits, per capita use of avocados increased considerably, while consumption of limes, bananas, cranberries, grapes, and strawberries tended to hold steady. But we have been eating less of all other important fresh fruits. Decreases were fairly large for oranges, peaches, and pears.

Ben Pubols
Agricultural Economics Division, AMS

HOW WOULD YOU COUNT 94 MILLION HEAD OF CATTLE IN 48 STATES?

If you saw 376 million cattle legs, you would be certain of one thing—that's a lot of hoofs.

And, you can be certain of one more thing—the estimate of the total number of cattle and calves in the United States does not come out of thin air.

Neither does the answer come from counting all the legs and dividing the number by four. It's a big enough job to estimate the number of head.

Reports Help Producers

You livestock producers who are interested in some 50 reports a year which will help you keep up with the demand and price of your products, just keep reading this article.

First, let's see just how your Crop and Livestock Reporting Service of the Department of Agriculture gets the information for these reports such as the one that estimated that there were 94,677,000 head of cattle and calves on farms as of January 1, 1955.

Stockmen and farmers in 48 States will soon receive questionnaires from their State Crop and Livestock Reporting Service. The thousands of voluntary reports mailed by stockmen and farmers are the backbone of estimating numbers of cattle, hogs, sheep and so on.

State agricultural statisticians also make personal interviews to get first-hand information on livestock from ranchers, farmers, and feeders.

The periodic Census enumerations of livestock taken every 5 years provide the benchmarks, or starting points, to project annual estimates of yearly changes.

The Department does not stop with producer or interview surveys. Considerable information is collected and analyzed to check the estimates. For example, current estimates are checked later against the trends in the number of cattle assessed in 32 States where such reports are available. Taxation records have provided a basis for eval-

uating the accuracy of the level of livestock numbers.

And for cattle, hogs, and sheep, it is possible in many States to use fairly complete records collected on marketings and slaughter, brand and health inspections, or railroad records, to arrive at an indicated change in inventories.

On the human side, several hundred clerks and statisticians in 41 State field offices, covering 48 States, working against a close time schedule conduct the livestock estimating work.

More than 50 reports on livestock are issued each year. The main annual livestock survey is made as of December 1 each year so that timely reports may be published on the fall pig crop, breeding intentions for the spring season, and inventories.

Most important of these reports is the annual report on inventories. This report, which is released around mid-February, includes estimates of the number and value of the various species of livestock by States with estimates by age and sex classes.

And what good is the inventory report to the livestock producer? Well, the cattleman likes to study his plans and prospects over short, intermediate, and long time periods. Trends in January 1 estimates of cattle numbers will tell him whether or not cattle numbers are keeping up with or outrunning the growth of the human population and feed resources. And, State figures will reveal which areas he can expect to be competing against him for his markets.

Future Production

Then, too, figures on classes of cattle will indicate the emphasis on future production. For example, if cow numbers continue to rise, continued large calf crops are in prospect for several years ahead. If steer and calf inventories have been reduced, it will have a bearing on steer slaughter and the available supply of feeder steers in the coming year.

Now, how about the pig crop report to be issued on December 22 as well as another report in June?

Breeding Intentions

How much a hog producer actually increases hog production following a big corn crop should be decided in the light of the breeding intentions for the coming farrowing season. If it looks as though everyone is getting into the hog business, he should proceed with caution. He also has the advantage of using detailed monthly statistics for planning the best season for farrowing and for marketing hogs.

How about the cattle feeding business? Quarterly reports give the producer an idea of the existing demand for feeder cattle and the nature of that demand, whether for steers, heifers, or calves . . . light, medium, or heavy weight cattle.

At the same time, the cattle feeder is aware of the potential supply of better grade slaughter cattle through the report of inventories. He is able to note his competition by classes—steers or heifers. He gets clues on whether long term or short term feeding is more common.

As for sheep and lambs, the inventory figures on sheep and lambs at the beginning of the year just about tell the story on what domestic wool production will be for the year ahead. The number of ewes on hand January 1 provides a good clue as to the probable size of the lamb crop.

Early lamb producers may watch the trends in the different early lamb-pro-

ducing States to get a notion of the spring slaughter lamb supply. Late lamb producers and feeders will watch the figures for States producing late lambs to see if the probable lamb supply will be up or down. Sheepmen will also note current reports on condition of range feed and of sheep.

The monthly reports on condition of range feed and livestock in the Western States keep the cattlemen posted on current prospects in competing areas. He will know if drought is forcing an early movement, or whether unusually good grazing is keeping cattle on the ranges later than usual. These are considerations in making a decision to market if the large runs are to be avoided. Here also are indications of possible time of marketing, and of quality and weight of the current lamb supply.

Shipments of Stockers

Monthly reports on shipments of stockers and feeders into the Corn Belt show, by States, shipments from markets and direct from other States, and implement the quarterly reports on cattle feeding.

And, monthly reports on slaughter and meat production provide important data on livestock disappearance and the meat supply. Statistics issued on classes of livestock slaughtered under Federal inspection are important indications of current and future developments in the industry.

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CRITICISMS OF WHEAT STANDARDS ARE DISCUSSED AT NATIONAL MEETING

The Grain Division of the Agricultural Marketing Service is studying and analyzing suggestions by farm and trade groups for improving the official wheat standards. The suggestions were made at a 3-day conference held in Washington in late September. Secretary Ezra Taft Benson called the special meeting to enable top men in the industry to talk over various criticisms of U. S. wheat standards.

Special Needs Cited

The meeting brought together representatives of national associations of growers, shippers, warehousemen, millers, bakers, and Government agencies. These men discussed how the milling and baking qualities of wheat are affected by the various factors of the standards such as subclasses, sanitation factors, moisture, foreign material and dockage, test weight per bushel, and smutty wheat. They made suggestions for changes in the standards to meet their special needs.

Standardization is necessary to achieve orderly trade for a commodity. Traders need to identify the quality of a commodity with great accuracy so that they can buy and sell with confidence the exact kind needed for various purposes.

When standards are set up, two sets of conflicting interests must be reconciled. On the one hand, the standards should measure the qualities that make the various grades most helpful to users. On the other hand, these qualities should be ones that inspectors can determine promptly and accurately under practical conditions.

In other words, we should be alert to recognize the need for refinements in the standards so that they keep pace with changes in production and marketing practices. But if we make the standards too complicated for practical use, it may add confusion to the trade.

The wheat standards now in effect were established in 1917. The 1917 standards for wheat were much more

rigid than the present standards. After a year, several requirements were made more lenient. Except for setting up limits for cracked, broken, and shrunken kernels in 1934, 1935, and 1937, most of the changes since 1917 have been to liberalize the standards.

Some groups complain that the standards do not reflect the milling and baking quality of wheat, that they do not exclude the unsuited varieties for certain uses from the better grades, and that present limits are too lenient for foreign material, shrunken and broken kernels, and some classes of wheat.

Suggestions for changes include a factor of "total defects," fewer or more subclasses or none at all, moisture percentage on all certificates, adjustment of test-weight-per-bushel to correlate with the yield of flour, application of Food and Drug sanitation standards, and redefinition of weevily wheat to include dead weevils as well as live ones. Permissive testing services for protein content and sedimentation are wanted by some groups.

It was also suggested that all exports of wheat by grades should be federally inspected. A separate set of standards for export wheat to provide additional details of quality, was another suggestion.

May Hold Hearings

Under the procedure required by law, if the Department proposes to revise the standards after its study is completed it will give the interested public an opportunity to participate by filing briefs, comments, or arguments regarding the proposal, and public hearings may also be held. After tentative agreement is reached, a notice is published in the *FEDERAL REGISTER*. Then, a waiting period of 3 months is required before the changes become effective. This gives full opportunity to check any action before it gets into operation.

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New Eartag Plan For Cattle Is Suggested

Farmers have often complained of the "Christmas-tree" effect when there are different identifying tags for herd-improvement or disease control programs.

So, a nationwide, uniform plan for identifying dairy and beef cattle with only one eartag for each animal is being advocated by the U. S. Department of Agriculture.

Major advantages of the plan are: (1) No duplication of identification numbers; (2) only one tag per animal; (3) no additional cost to individuals and groups.

The plan is based on a numbering system found practical in the past for use in dairy herd improvement activities of the Department's Agricultural Research Service.

This new system provides a combination of letters and numbers sufficient to tag more than 8 billion cattle in the United States and territories without a single duplication. Thus, many different groups may use the identification number provided by the first tagging of an animal without danger of finding later that several cattle had this same number.

A feature of the new system is a single "book" (record of number assignments) kept in each State. Official agencies and groups continue to buy identification tags where they choose, but they first obtain a block assignment of numbers from the Federal or State official keeping the book within their State.

Designating central offices for this purpose will be one of the first acts necessary in implementing the uniform tagging plan. Agencies or groups reserving a large block of numbers from the central State official will then be responsible for making and recording assignments of sequences of these numbers to their various members.

The complete series of eartag numbers in a single State runs, for example, from 35-AAA0001 through 35-ZZZ9999. The number "35" is the

State code for Wisconsin. This plan provides a block of 169,000,000 different numbers for each State, sufficient for all of the different agricultural groups concerned with dairy-herd improvement, artificial breeding, and disease eradication.

Within the full block of numbers, for example, one group in a State might wish to "book" for its use the X series, providing 6,760,000 different numbers. One section of this group might then be allocated the XA sequence of numbers, while another takes the XB sequence. The backs of the tags may carry the name or initials of the purchasing group.

In the past, identification numbers for cattle have been duplicated nationally and even within the same State, often resulting in considerable confusion.

National Outlook Meeting Planned For Agriculture

The 33rd Annual Agricultural Outlook Conference will be held on November 28-December 1 in Washington, D. C.

There will be quite a number of agricultural experts—economists, analysts, farm extension workers—from all over the country, in addition to the Washington staff to discuss the outlook for agriculture in 1956.

The program for the 4-day conference includes discussions on the world situation, domestic business, current problems of economic policy, agricultural situation, exports, farm costs, farm family living, general economic conditions, consumer demand and supply, and other vital topics.

Outlook discussion sessions are planned on meat animals, feed grains, sugar, grass and legume seeds, forest products, dairy, fats and oils, poultry, cotton, wheat, fruits, vegetables and dry beans, potatoes, and so on. Sessions on farm family living conditions are also planned.

What is the outlook for agriculture in 1956? The Agricultural Situation will give you an accurate account of the Outlook Conference in the December issue.

FARMERS' PRICES

Indexes (1910-14=100)	1954		1955			
	October	Year (average)	July	August	September	October
Prices received by farmers.....	242	249	237	233	235	230
Parity index (prices paid, interest, taxes, and wage rates).....	279	281	281	279	279	280
Parity ratio.....	87	89	84	84	84	82

Farmer's share of consumer's food dollar—
40 percent in September 1955; 42 percent
in September 1954.

Plentiful Foods Feature Pork and Winter Pears

Pork and winter pears will get special merchandising assistance in November through USDA's Plentiful Foods Program.

The two farm products have star billing on the Department's November Plentiful Foods List—a monthly list prepared by marketing specialists to designate the foods scheduled for merchandising aid under the Program.

The large spring pig crop has resulted in unusually heavy supplies of pork this fall. Hog marketings will increase seasonally, with near-peak volume coming in November.

November will be the first month that winter pears are distributed in volume. The industry plans a promotional program to move as many pears as possible during the crucial starting period of the season.

Besides winter pears and pork, USDA is encouraging increased consumption of a number of other commodities in unusually heavy supply—beef, turkeys, broilers and fryers, rice, potatoes, grapes, raisins, cranberries, milk and other dairy products, lard, vegetable fats and oils, California dates, and canned tuna.

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.
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PENALTY FOR PRIVATE USE TO AVOID
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